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Message Text

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21
ACTION AF-07

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-07 L-02

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 EB-07 CIEP-01 TRSE-00 STR-01 OMB-01

CEA-01 COME-00 /068 W
---------- 042978
R 270554Z DEC 74
FM AMEMBASSY ADDIS ABABA
TO SECSTATE WASHDC 2453
INFO AMCONSUL ASMARA

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E.O.11652: N/A
TAGS: EINV PINS ET
SUBJ: ANOTHER ETHIOPIAN "NATIONALIZATION"

1. ON DECEMBER 20, THE PMAC ANNOUNCED THE NATIONALIZATION OF THE ETHIOPIA HOTEL IN ADDIS ABABA. ACCORDING TO THE PMAC ANNOUNCEMENT THE NATURAL RESOURCES DEVELOPMENT CORPORATION OF THE MINISTRY OF FINANCE (MOF) WILL ADMINISTER THE 12-YEAR-OLD HOTEL "FOR THE BENEFIT OF THE MAJORITY OF THE ETHIOPIAN PEOPLE". ETHIOPIA HOTEL'S CURRENT ASSETS TOTAL ETH$2.3 MILLION (US$1 EQUALS ETH$2.05). PRESENT GOE SHAREHOLDERS NAMED IN THE ANNOUNCEMENT ARE: COMMERCIAL BANK OF ETHIOPIA ; ETHIOPIAN AIRLINES; ETHIOPIAN TOURISM AND HOTEL INVESTMENT CORPORATION, AND MOF. PRIVATE SHAREHOLDERS NAMED WERE: P. MYRIALIS AND COMPANY (GREEK-OWNED EXPORT COMPANY); EDWARD GARABEDIAN (ARMENIAN BUSINESSMAN); AND HEIRS OF PRINCE MAKONNEN. ACCORDING TO LOCAL HOTEL INDUSTRY SOURCE, PRIVATE HOLDINGS AMOUNTED TO ABOUT 5 PERCENT OF TOTAL EQUITY.

2. COMMENT: (A.) ETHIOPIAN HOTEL TERMED PUBLIC ENTERPRISE UNDER OLD REGIME; THERFORE NATIONALIZATION INAPPROPRIATE
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DESCRIPTION OF PMAC ACT. AS IN PAST "NATIONALIZATIONS"

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(E.G., ANBASSA BUS COMPANY, ST. GEORGES BREWERY, HSI FOUNDATION) PMAC ACTION REPRESENTS MORE A STEP TOWARD MAKING PUBLIC ENTERPRISES DIRECTLY RESPONSIBLE TO MOF THAN EXPROPRIATION OF PRIVATELY HELD ASSETS. (B.) ALTHOUGH "NATIONALIZATION" ANNOUNCED ON SAME DAY AS PMAC ISSUED POLICY STATEMENT ANNOUNCING ETHIOPIAN SOCIALISM, EMBASSY DOUBTS THAT THERE WAS A DIRECT RELATIONSHIP BETWEEN POLICY STATEMENT AND "NATIONALIZATION" OF ETHIOPIA HOTEL.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, INDUSTRY, ECONOMIC STABILITY
Control Number: n/a
Copy: SINGLE
Draft Date: 27 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: N/A
Film Number: D740375-0590
From: ADDIS ABABA
Handling Restrictions: n/a
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ISecure: 1
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Review Comment: n/a
Review Content Flags:
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Review Event:
Review Exemptions: n/a
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TAGS: EINV, PINS, ET
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Type: TE
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